



SINGLE-TENANT | Q3 2025

# Retail

Commercial Real Estate | Debt + Equity | Investment Sales | Loan Servicing | Fund Management

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## SINGLE-TENANT RETAIL

### Market Fundamentals



Q3 2025 Investment Sales Volume	<b>\$2.20B</b>
Change from Last Quarter (Q2 '25)	<b>-13.5%</b>
Change from Last Year (Q3 '24)	<b>-16.6%</b>



Q3 2025 Overall Average Cap Rate	<b>6.93%</b>
Change from Last Quarter (Q2 '25)	<b>+1 bp</b>
Change from Last Year (Q3 '24)	<b>+13 bps</b>

### Overview | Single-Tenant Retail

The single-tenant retail sector posted \$2.2B in third quarter sales volume, down 13.5% from the second quarter and nearly 17% year-over-year. Cap rates recorded slight upward pressure, rising 1 basis point to 6.93%, and by 13 basis points year-over-year.

The Southeast region dominated transaction activity in the third quarter, recording \$653.7M in volume and accounting for 29.7% of the total. The West followed with \$430.9M, representing 19.6% of overall volume. The Southwest ranked third with \$373.3M, or 16.9%, while the Northeast recorded \$361.0M, representing 16.4%. The Midwest contributed \$261.3M, or 11.9% of total volume, and the Mid-Atlantic region trailed with \$123.2M, accounting for 5.6%.

By region, cap rates ranged from a low of 6.08% in the Northeast to a high of 7.60% in the Midwest. All regions, except the Northeast, recorded a modest increase over the prior quarter. Average cap rates are up 133 basis points from the recent low of 5.60% recorded in the fourth quarter of 2022.

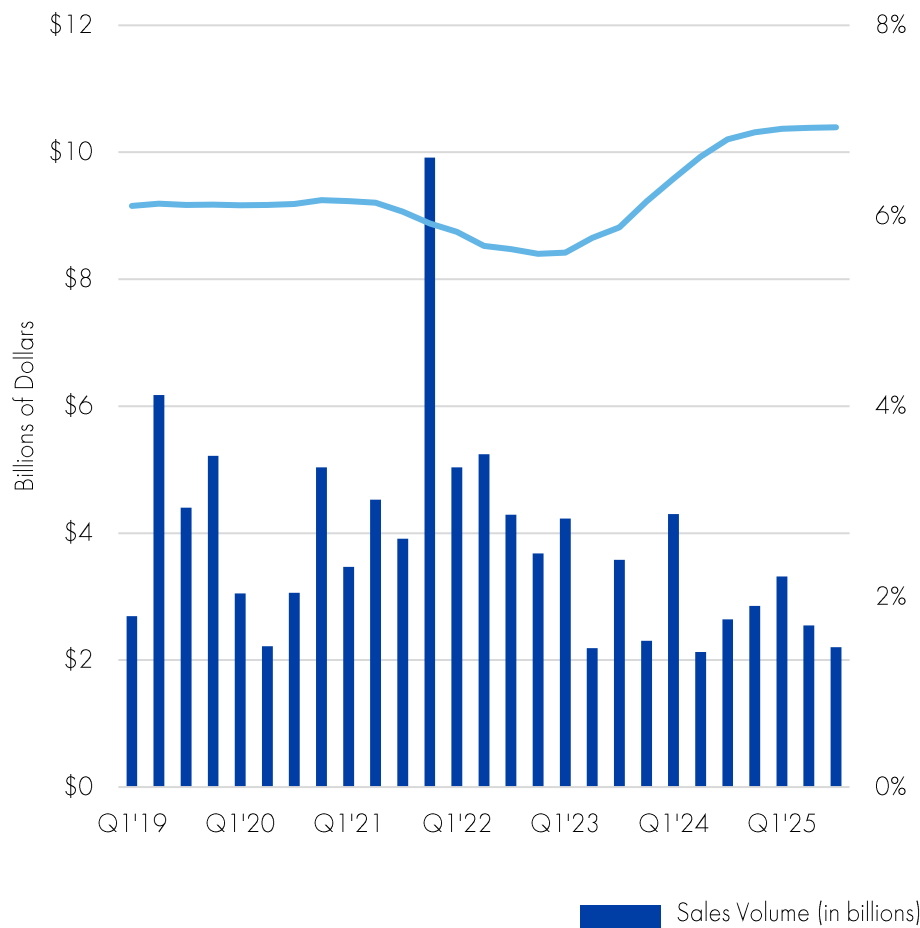
Private buyers accounted for 68% of single-tenant retail acquisitions through the third quarter of 2025, followed by institutional investors at 8%. The private share rose sharply by 11% in 2024, while private investment activity increased by 2% over the same period. REIT/Listed acquisitions fell from 26% of investment activity in 2024 to 11% as of the third quarter of 2025.



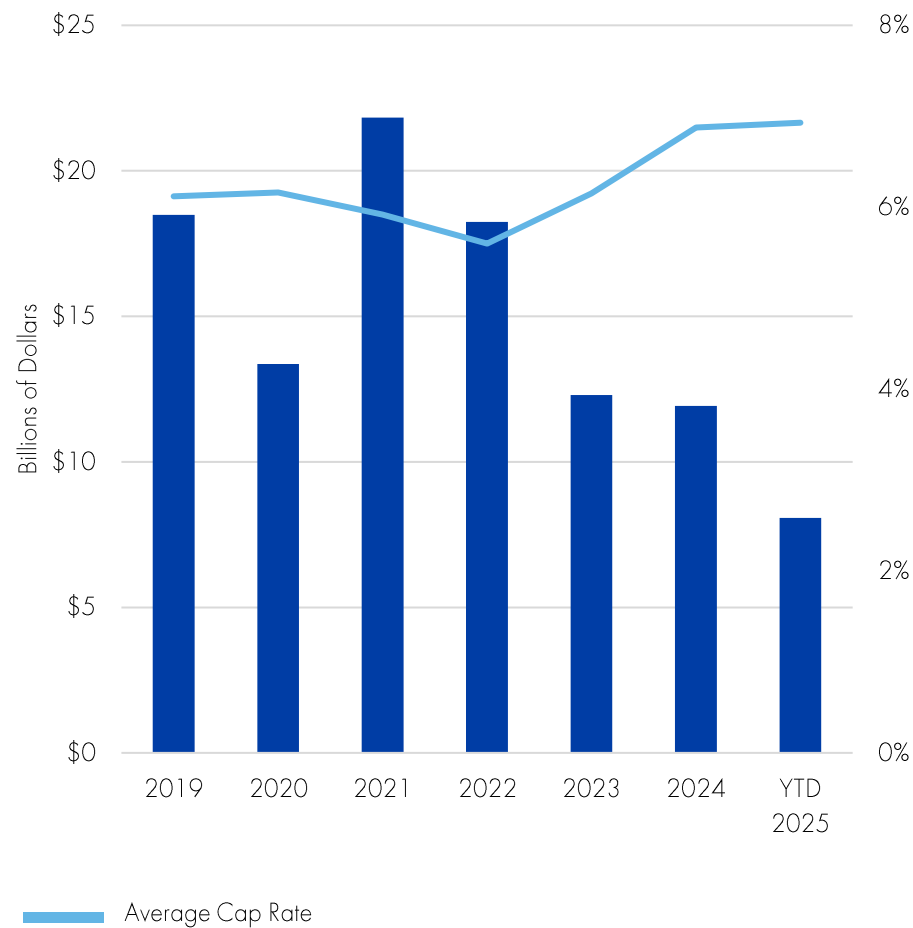
## SINGLE-TENANT RETAIL

### Investment Sales Volume & Average Cap Rates

 Quarterly



 Annual



Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m



## SINGLE-TENANT RETAIL

### Quarterly & Annual Market Statistics

#### Investment Sales Volume (in millions)



##### Quarterly

Type	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Mid-Atlantic	\$82.45	\$197.64	\$164.61	\$106.93	\$123.18
Midwest	\$464.13	\$343.63	\$420.03	\$404.54	\$261.26
Northeast	\$363.53	\$534.14	\$770.56	\$540.16	\$361.02
Southeast	\$765.80	\$727.88	\$911.82	\$685.62	\$653.72
Southwest	\$358.29	\$409.17	\$315.81	\$332.62	\$373.34
West	\$608.27	\$641.71	\$645.08	\$478.32	\$430.89
<b>Total</b>	<b>\$2,642.46</b>	<b>\$2,854.16</b>	<b>\$3,319.06</b>	<b>\$2,548.19</b>	<b>\$2,203.40</b>

##### Annual

Type	2021	2022	2023	2024	YTD 2025
Mid-Atlantic	\$1,570.15	\$1,462.34	\$970.26	\$633.79	\$394.72
Midwest	\$4,416.58	\$3,386.23	\$1,900.37	\$2,087.75	\$1,085.82
Northeast	\$2,681.91	\$2,344.21	\$1,703.68	\$1,381.17	\$1,671.73
Southeast	\$5,269.81	\$4,903.59	\$3,609.48	\$3,386.43	\$2,251.16
Southwest	\$3,657.66	\$2,614.50	\$1,771.66	\$2,031.60	\$1,021.77
West	\$4,231.46	\$3,533.44	\$2,342.12	\$2,406.32	\$1,554.30
<b>Total</b>	<b>\$21,827.56</b>	<b>\$18,244.31</b>	<b>\$12,297.57</b>	<b>\$11,927.06</b>	<b>\$8,070.65</b>

#### Average Cap Rates



##### Quarterly

Type	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Mid-Atlantic	6.76%	7.05%	7.16%	7.49%	7.50%
Midwest	7.40%	7.45%	7.41%	7.54%	7.60%
Northeast	6.68%	6.56%	6.64%	6.39%	6.08%
Southeast	6.70%	6.81%	6.88%	6.89%	6.89%
Southwest	6.90%	6.96%	6.90%	6.95%	7.04%
West	6.16%	6.21%	6.31%	6.27%	6.44%
<b>Total</b>	<b>6.80%</b>	<b>6.88%</b>	<b>6.91%</b>	<b>6.92%</b>	<b>6.93%</b>

##### Annual

Type	2021	2022	2023	2024	YTD 2025
Mid-Atlantic	6.26%	6.04%	6.14%	7.05%	7.50%
Midwest	6.26%	6.05%	6.68%	7.45%	7.60%
Northeast	5.66%	5.42%	6.02%	6.56%	6.08%
Southeast	5.90%	5.57%	6.22%	6.81%	6.89%
Southwest	5.78%	5.48%	6.27%	6.96%	7.04%
West	5.64%	5.24%	5.54%	6.21%	6.44%
<b>Total</b>	<b>5.92%</b>	<b>5.60%</b>	<b>6.15%</b>	<b>6.88%</b>	<b>6.93%</b>

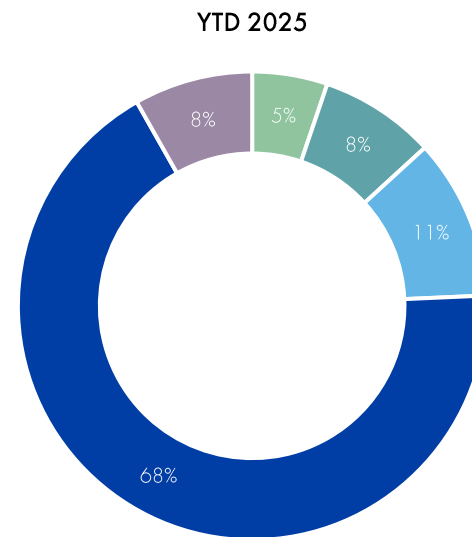
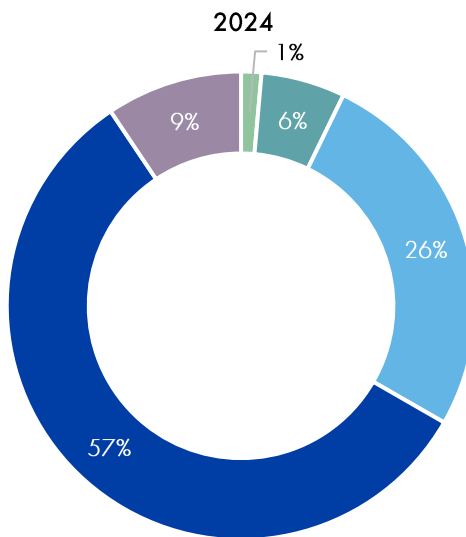
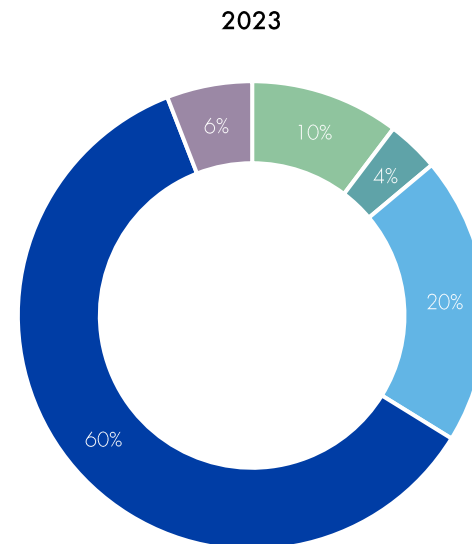
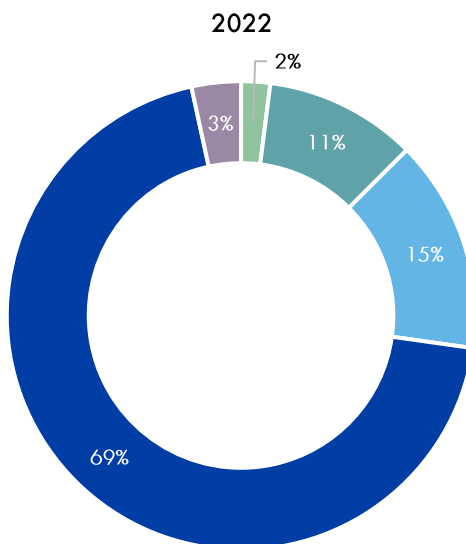
Source: Northmarq, Real Capital Analytics; analysis includes sales greater than \$2.5m; totals may not equal the sum of individual property types due to rounding



## SINGLE-TENANT RETAIL

### Buyer Distribution

#### Annual







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[northmarq.com/trends-insights/research-library/marketsnapshot](https://northmarq.com/trends-insights/research-library/marketsnapshot)

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